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Attorneys for Acting United States Trustee
AUGUST B. LANDIS

UNITED STATES BANKRUPTCY COURT
NORTHERN DISTRICT OF CALIFORNIA

In re)	No. 10-30928 TEC
RAJIV PURI, SR.,)	Chapter 7
)	
Debtor.)	
)	
In re)	No. 10-32054 TEC
ABDUS QURESHI AND NAHEED)	Chapter 11
QURESHI,)	
)	
Debtor.)	
)	

**STIPULATION FOR PAYMENT OF FINE TO U.S. TRUSTEE, REFUND, AND
ACKNOWLEDGMENT TO CHANGE PRACTICES**

August B. Landis, the Acting United States Trustee for the Northern District of California -
Region 17 ("U.S. Trustee"), hereby stipulates with Attorney Demas Yan¹ for payment of a fine to the
U.S. Trustee, refund and certain practice changes, in lieu of the U.S. Trustee filing a motion seeking
sanctions and payment of a fine.

¹The petition in this case reflects the Mr. Yan's name as "Dennis Yan" however he acknowledges
that his legal name and that reflected on the California State Bar's website is "Demas Yan." The name
"Dennis Yan" does not appear in the database of attorneys maintained by the California State Bar and
available online at www.calbar.ca.gov. An attorney named "Demas Yan" is authorized to practice law in
California under license number 257854. Mr. Yan admitted to the U.S. Trustee that he is Demas Yan
but uses "Dennis Yan" as his alias.

1 **FACTUAL RECITALS**

2 The U.S. Trustee, by and through undersigned counsel, and Mr. Yan hereby agree to the
3 following factual recitals.

4 1. Demas Yan is a duly licensed California attorney under California license number
5 257854.

6 2. Mr. Yan is a Registered Participant as defined by Bankruptcy Local Rule 5005-1(a), and
7 as such is authorized to electronically file documents through the electronic case filing system in place in
8 the Northern District of California.

9 **Recitals with respect to bankruptcy cases filed by Rajiv Puri**

10 3. On March 17, 2010, Rajiv Puri, Sr.² filed a voluntary petition for relief under chapter 7 of
11 title 11 of the United States Code ("Bankruptcy Code"), case number 10-30928.

12 4. Mr. Puri filed case no. 10-30928 with Mr. Yan's assistance.

13 5. Mr. Yan electronically filed case no. 10-30928 with the court on March 17, 2010.

14 6. At the time of filing case no. 10-30928, Mr. Yan did not possess the original signed
15 petition, schedules, Statement of Financial Affairs, Statement of Current Monthly Income and Means
16 Test Calculation and Statement of Social Security Number.

17 7. Mr. Yan filed the aforementioned documents at the direction of Mr. Puri after receiving
18 oral communication from him.

19 8. Mr. Yan did not personally review with Mr. Puri the signed documents prior to filing.

20 9. Mr. Yan did not maintain physical possession of the documents after filing in accordance
21 with Bankruptcy Local Rule 5005-2(c).

22 10. Mr. Yan is also the attorney of record in the three prior cases filed by Mr. Puri since
23 September, 2009: 09-32667 filed on September 8, 2009; 09-33087 filed on October 7, 2009, and 10-
24 30143 filed on January 18, 2010.

25
26 ²Mr. Puri testified that his name does not include "Sr." The three prior cases filed by Mr. Puri
27 with Mr. Yan's assistance do not bear "Sr." as part of the debtor's name. Even after this was raised at
28 the U.S. Trustee's Rule 2004 Examination on April 28, 2010, Mr. Yan and Mr. Puri have not corrected
the petition.

1 11. Mr. Yan electronically filed each of Mr. Puri's three prior cases.

2 12. At the time of filing each of the three prior cases, Mr. Yan did not have in his possession

3 the original signed petition.

4 13. Mr. Yan did not maintain physical possession of the original signed petition in each of the

5 three prior cases in accordance with Bankruptcy Local Rule 5005-2(c).

6 14. Mr. Yan filed the petitions for each of the three prior cases at the direction of Mr. Puri

7 after receiving oral communication from him.

8 15. Mr. Yan failed to properly advise Mr. Puri to disclose the three prior bankruptcy filings in

9 Mr. Puri's fourth bankruptcy case (10-30928).

10 16. The petition filed in the fourth bankruptcy case filed by Mr. Puri does not disclose the

11 three prior cases he filed.

12 17. On the petition where a debtor is required to disclose all prior bankruptcies filed in the

13 last 8 years Mr. Puri reported "none" on the petition filed in the fourth case.

14 18. All three prior cases filed by Mr. Puri were dismissed for failure to file the balance of

15 required documents, including the schedules and Statement of Financial Affairs.

16 19. In bankruptcy case no. 10-30928, Mr. Yan failed to recognize that Mr. Puri did not

17 complete credit counseling prior to filing the bankruptcy case when Mr. Yan filed the Certificate of

18 Debtor Education as a Certificate of Credit Counseling.

19 20. Mr. Puri paid a total of \$600 to Mr. Yan for all four bankruptcy cases.

20 Recitals with respect to bankruptcy case of Abdus and Naheed Qureishi

21 21. On June 2, 2010, a voluntary petition for relief under chapter 11 of title 11 of the

22 Bankruptcy Code was filed bearing the names of Abdus Qureshi{sic} and Naheed Qureshi{sic}, case

23 number 10-32054.

24 22. Mr. Yan did not personally review the proof of identification for Mr. or Mrs. Qureishi.

25 23. The correct spelling of Mr. and Mrs. Qureishi's last name is Q-u-r-e-i-s-h-i.

26 24. Mr. Qureishi filed case no. 10-32054 with Mr. Yan's assistance.

27 25. Mr. Yan electronically filed case no. 10-32054 with the court on June 2, 2010.

28 26. The petition electronically filed by Mr. Yan on June 2, 2010 in case no. 10-32054 does

1 not disclose the related case electronically filed on June 1, 2010 by Mr. Yan, *In re Cap Invest, Inc.* (Case
2 No. 10-55770).³

3 27. At Exhibit D to the petition electronically filed by Mr. Yan on June 2, 2010 in case no.
4 10-32054, it appears that Mr. and Mrs. Qureishi each checked the box asserting that they are not required
5 to obtain pre-petition credit counseling because of incapacity.

6 28. Mr. and Mrs. Qureishi⁴ testified at their meeting of creditors on July 6, 2010 that they
7 were not and are not incapacitated.

8 29. At the time Mr. Yan electronically filed case no. 10-32054, he had yet to meet Mrs.
9 Qureishi.

10 30. At the time Mr. Yan electronically filed case no. 10-32054, neither Mr. nor Mrs. Qureishi
11 had signed any bankruptcy documents, including the petition, schedules, Statement of Financial Affairs
12 and Chapter 11 Statement of Current Monthly Income⁵.

13 31. At the time Mr. Yan electronically filed case no. 10-32054, Mr. Yan did not possess the
14 original signed documents he filed on behalf of the Debtors.

15 32. Mr. Yan filed the aforementioned documents at the direction of Mr. Qureishi after
16 receiving oral communication from him.

17 33. Mr. Yan did not personally review with Mr. Qureishi and Mrs. Qureishi the documents
18 prior to electronically filing them on June 2, 2010.

19 34. Mr. and Mrs. Qureishi did not sign the aforementioned documents until June 29, 2010.

20 35. Mr. and Mrs. Qureishi maintained possession of the documents they signed on June 29,
21 2010 until July 20, 2010 when the signed documents were produced to the U.S. Trustee for review.

23
24 ³The *Cap Invest* petition disclosed under “Pending Bankruptcy Case Filed by any Spouse, Partner
or Affiliate of this Debtor”: Abdus Salam Qureshi as “Name of Debtor” and President as “Relationship”.

25 ⁴Mrs. Qureishi testified at the July 6, 2010 meeting of creditors that she was not aware of the
26 requirement for pre-petition counseling until she read the bankruptcy papers for the first time after they
27 had already been filed.

28 ⁵The Chapter 11 Statement of Current Monthly bore only the purported electronic signature of
Mr. Qureishi.

1 36. The signed documents produced to the U.S. Trustee by Mr. and Mrs. Qureishi did not
2 match the bankruptcy documents on file with the bankruptcy court.

3 37. Mr. Yan did not personally review the evidence of Social Security Number for Mr. or
4 Mrs. Qureishi.

5 38. Mr. Yan electronically filed a Statement of Social Security for Mr. Qureishi with the
6 court on June 4, 2010.

7 39. At the time Mr. Yan electronically filed Mr. Qureishi's Statement of Social Security
8 Number, Mr. Qureishi had not signed that statement.

9 40. At the time Mr. Yan electronically filed Mr. Qureishi's Statement of Social Security
10 Number, Mr. Yan did not possess the original signed documents he filed on behalf of Mr. Qureishi.

11 41. Mr. Yan did not personally review with Mr. Qureishi the Statement of Social Security
12 Number prior to electronically filing it on June 4, 2010.

13 42. The Statement of Social Security Number filed by Mr. Yan for Mr. Qureishi is wrong
14 with respect to the third digit.

15 43. To date, Mr. Yan has not filed an amended Statement of Social Security Number
16 reflecting Mr. Qureishi's correct Social Security Number.

17 44. Mr. Yan electronically filed a Statement re Payment Advices for the Debtors with the
18 court on June 22, 2010.

19 45. At the time Mr. Yan electronically filed Debtors' Statement re Payment Advices, neither
20 of the Debtors had signed that statement.

21 46. At the time Mr. Yan electronically filed Debtors' Statement re Payment Advices, Mr. Yan
22 did not possess the original signed document he filed on behalf of the Debtors.

23 47. At the meeting of creditors on July 6, 2010, Mr. Yan reported that certain assets and
24 certain liabilities were not disclosed in the schedules he electronically filed for Debtors on June 2, 2010
25 and was prepared to file amended schedules. Debtors' testimony at the meeting of creditors revealed an
26 interest in a 2000 Mercedes, a family trust and certain claims asserted by Debtors; additional creditors; a
27 co-obligor (Cap Invest) and Mr. Qureishi's position as Chairman of Sysorex and Sysorex Federal, two
28 California corporations.

1 this Stipulation review each open bankruptcy case filed in California in which he assisted the debtor to
2 verify that a statement pursuant to Rule 2016(b) of the Federal Rules of Bankruptcy Procedure is filed,
3 and where the statement is incorrect, file an amended statement.

4 58. Mr. Yan, at his expense, shall no later than 30 days after the entry of an order approving
5 this Stipulation effectuate the filing of an amended Petition in *In re Qureshi*{sic}, case no. 10-32054, to
6 correctly reflect the correct spelling of their last name.

7 59. Mr. Yan, at his expense, shall no later than 30 days after the entry of an order approving
8 this Stipulation effectuate the filing of an amended Statement of Social Security Number for Mr.
9 Qureishi in *In re Qureshi*{sic}, case no. 10-32054, to correctly reflect Mr. Qureishi's true social security
10 number.

11 Practice Changes

12 60. Mr. Yan acknowledges that he is an officer of the court and has a duty of candor to the
13 court.

14 61. Mr. Yan agrees to abide in all cases by the minimum standards established by the
15 *Guidelines for Legal Services to be Provided by Debtors' Attorney in Chapter 7 Cases* adopted by the
16 bankruptcy courts in the Northern District of California, including, but not limited to, providing a copy
17 of the *Guidelines* to the debtor, personally meet with the debtor and explain the options available under
18 both chapter 7 and chapter 13 (and for prospective chapter 11 clients, explain the options available under
19 chapter 11), and review the final petition, schedules, Statement of Financial Affairs, and statement of
20 social security number prior to filing with the court.

21 62. Mr. Yan agrees to review personally or with staff assistance, the debtor's proof of
22 identification and social security number.

23 63. Mr. Yan agrees to advise the debtor to provide such proof of identity and social security
24 number, or a written statement that one does not exist, at the section 341 meeting of creditors.

25 64. Mr. Yan agrees to abide by all rules, orders, and provisions regarding electronic case
26 filing in effect in the Northern District of California so long as Mr. Yan is a Registered Participant.

27 65. Should any of the rules, order, and provisions regarding electronic case filing be
28 modified, abridged, or revised, Mr. Yan agrees to abide by said provisions so long as he is a Registered

Participant.

66. Specifically, though not limited thereto, Mr. Yan agrees to abide by Bankruptcy Local Rule 5005-2(c) to physically possess the original document bearing the original signature of another person, including any future debtors, prior to filing the document with the bankruptcy court.

67. Mr. Yan agrees to abide by Bankruptcy Local Rule 5005-2(c) to maintain physical possession of the original signed documents for five years after the case or adversary proceeding in which the document was filed is closed.

68. Mr. Yan agrees to abide by Bankruptcy Local Rule 1015-1(b) to file a Notice of Related Case when applicable.

69. Mr. Yan agrees to ensure compliance with 11 U.S.C. § 109(h), including but not limited to, verifying or confirming that a person has completed credit counseling prior to filing for voluntary bankruptcy relief, taking steps to ensure the case will not be dismissed for lack of credit counseling, or advising the person of the consequences of failing to complete the credit counseling requirement.

70. Mr. Yan agrees to run a search on PACER to determine whether a prospective debtor has previously filed a bankruptcy case within the last eight years.

71. Mr. Yan agrees to comply with the *U.S. Trustee's Guidelines*, including but not limited to, § 2 (Employment and Compensation of Professional Persons).

72. Mr. Yan or another licensed attorney must spend at least one hour counseling the debtor and making sure that all assets and debts are discovered and scheduled. *See In re Tran*, 427 B.R. 805, 810 (Bankr. N.D. Cal. 2010).

Retention of Jurisdiction

73. The Court shall retain jurisdiction of this matter for all purposes.

OTHER TERMS

74. The parties agree and respectfully request this Court enter an order approving this Stipulation and directing Mr. Yan to (a) pay a fine of \$600 to the U.S. Trustee within 30 days after entry of the Order approving this Stipulation; (b) refund \$1,000 to Mr. and Mrs. Qureishi within 30 days after entry of the Order approving this Stipulation and provide proof of such payment to the U.S. Trustee within 14 days of making such payment to Mr. and Mrs. Qureishi; (c) no later than 30 days after entry of

the Order approving this Stipulation review each open bankruptcy case filed in California in which he assisted the debtor to verify that a statement pursuant to Rule 2016(b) of the Federal Rules of Bankruptcy Procedure is filed, and where the statement is incorrect, file an amended statement, and within 14 days of conducting such review, certify to the U.S. Trustee that such review was made by submitting to the U.S. Trustee a declaration identifying the cases reviewed by case name and case number; (d) within 30 days after entry of the Order approving this Stipulation effectuate the filing of an amended Petition in *In re Qureshi*{sic}, case no. 10-32054 to correctly reflect the correct spelling of the debtors' last name; and (e) within 30 days after entry of the Order approving this Stipulation effectuate the filing of an amended Statement of Social Security Number for Mr. Qureishi in *In re Qureshi*{sic}, case no. 10-32054, to correctly reflect Mr. Qureishi's true social security number.

75. The parties further agree that each party shall bear its own attorney's fees and costs, if any, incurred in connection with this Stipulation.

76. The parties further agree that should the Court reject this stipulation for any reason, the U.S. Trustee shall be free to proceed with appropriate action in the respective bankruptcy cases.

77. The parties further agree that this Stipulation constitutes the entire agreement between the parties with respect to the subject matter of this Stipulation, and supersedes any and all prior oral or written agreements and understandings.

It is so agreed:

Dated: August 25, 2010

Demas Yan
Demas Yan (aka Dennis Yan)
State Bar No. 257854

It is so agreed:

Dated: August 25, 2010

August B. Landis, Acting United States Trustee

By: Minnie Loo
Minnie Loo, Trial Attorney for U.S. Trustee

It is so agreed:

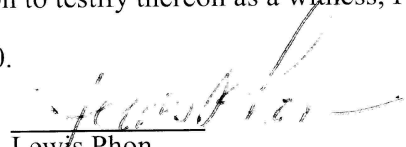
Dated: August 25, 2010

August B. Landis, Acting United States Trustee

By: Julie M. Glosson
Julie M. Glosson, Trial Attorney for U.S. Trustee

1 1977), whom I call on as needed for legal guidance in Bankruptcy law and procedures.” I have not
2 spoken with Mr. Yan although I have talked by telephone with Mr. Yan’s assistant, Wagar Khan, to
3 answer general questions about bankruptcy procedure in connection with a case that was filed in San
4 Jose, California. and another case in Oakland, California.

5 I declare under penalty of perjury under the laws of the United States of America that the
6 foregoing statements are true and correct, and, if called upon to testify thereon as a witness, I would be
7 competent to so testify. Executed this 30th day of July 2010.

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DECL. OF LEWIS PHON: 10-32054

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